

Town of Wellesley, Massachusetts  
Audit Committee  
Minutes of Meeting held at 8:00 am, April 5, 2016  
Wellesley Town Hall

In attendance: Jack Haley, Larry Petzing, Phil Laughlin, Peter Cory, Laura Ann McDonnell and Joe Tierney (Members). In addition, Sheryl Strother, Finance Director, Town of Wellesley was in attendance, along with Michael Nelligan and Jim Powers, Partners in the firm of Powers & Sullivan, LLC which is retained to perform the Audit of Town financial statements. Also, Dr. David Lussier, Superintendent of Schools, Ms. Judy Belliveau, Assistant Superintendent, Finance and Operations, Wellesley Public Schools and Mr. Matt Kelly, Chair of the School Committee, Town of Wellesley were in attendance. Mr. Stephen St. Thomas attended as an observer.

Mr. Haley called the meeting to order. Mr. Haley opened the Citizen Speak portion of the meeting and noted that there were no citizens who sought to speak.

Mr. Haley noted that he was chairing the meeting for the last time as he was transitioning off the Committee. He introduced Laura Ann McDonnell, a new member of the Audit Committee, whose term commenced on April 1, 2016. He noted that Audit Committee member Joe Tierney would be resigning from the Committee later this spring and would be replaced at that time.

Mr. Haley welcomed the representatives of the Schools. They discussed the continuing efforts to update internal processes regarding accounting and internal controls in the Business Office. Ms. Belliveau indicated that the Business Office expects to have implemented 22 of the recommendations made in the Rosselli & Clark report by Sept. 1, 2016. Recommendations regarding on-line requisition and payroll processing are in process but will require additional time. One major challenge is getting the appropriate staff trained and experienced in the new procedures and controls. The Committee expressed appreciation to the representative of the Schools for committing to these steps and for providing the update. Mr. Haley observed that the Business Office should periodically review and re-prioritize the next set of objectives to implement, and perhaps could report on this plan at an Audit Committee meeting in the Fall of 2016. Mr. Haley emphasized the importance of accounting for and accurately reconciling the many cash inflows and outflows at the Schools. Ms. Strother noted that the Permanent Building Committee (PBC) had partially completed the final reconciliation of the spending and funding for the High School construction project. Once the reconciliation is totally complete, the Town anticipates that some funds will be transferred to another approved building project in Town. The Committee will communicate with the PBC to emphasize the importance of completing the reconciliation.

Powers & Sullivan reviewed the general plan and timetable for conducting the audit of Town financials for the Fiscal Year ending June 30, 2016. Mr. Haley asked Mr. Nelligan to communicate back to the Committee some general dates for the additional Audit Committee meetings for the FY 2016 Audit. Powers & Sullivan anticipates distributing a draft of the Financial Report in mid-October. Mr. Nelligan noted that there will be some additional reporting required in FY 2016 for Town programs which receive Federal funds, and that there will be new Accounting Standards which will be applicable in coming years. The Committee noted that Powers & Sullivan should incorporate a review of the status of efforts of the School Business office to decentralize various accounting and purchasing activities into the offices of the schools in Town. Mr. Haley also requested that Powers & Sullivan incorporate an assessment of IT security around the Town's financial data and systems.

A motion was made to approve the Powers & Sullivan FY 2016 Audit Plan. The motion was seconded and approved. The Committee elected officers for the Audit period commencing April 1, 2016: Chairman, Larry Petzing and Recording Secretary, Peter Cory.

Mr. Haley opened the floor for the Citizens Speak portion of the meeting, and noted that no one was in attendance who wanted to address the Committee.

Mr. Haley adjourned the meeting.

*Prepared by Joe Tierney, Secretary, 04/08/16; approved by Audit Committee 09/14/2016*